

U.S. Attorney's Office  
Northern District of Texas

# YEAR IN REVIEW



Calendar Year 2021

# ALL ABOUT

## U.S. Attorney Chad E. Meacham



United States Attorney Chad E. Meacham – a longtime federal prosecutor – was sworn into office on Oct. 2, 2021.

Mr. Meacham, who serves as the chief federal law enforcement officer for the 96,000 square mile district, now oversees roughly 250 attorneys and staff responsible for all federal criminal prosecution and civil litigation involving the United States in the region.

Mr. Meacham has served as a prosecutor for almost 30 years. He joined the district in 1998. Prior to his appointment as U.S. Attorney, he took on the roles of First Assistant, Criminal Chief, Deputy Criminal Chief, Lead OCDEF Attorney, and Lead Appellate Attorney.

He received his J.D. degree from Texas Tech University, and his B.S. from the University of North Texas. He is married to a woman he has known since elementary school, and the pair have two grown children.

"Coming to work as the United States Attorney for the greatest district in the country is the highest professional

***"Justice is  
indiscriminately  
due to all,  
without regard  
to numbers,  
wealth, or rank."***

*- John Jay, 1794*

honor of my lifetime," Mr. Meacham says. "I am continually and overwhelmingly impressed by the great people and great work of this district."

# Northern District of Texas

## BY THE NUMBERS



### 1,189 Criminal Cases

In 2021, we filed 1,189 criminal cases against 1,725 defendants, making our office's caseload 237% higher than the national average. We took more cases to trial before a jury than any other district in the nation.



### 93.9% Conviction Rate

We convicted 94% of the defendants we charged, a rate more than 2.5 percentage points higher than the national average. Roughly 44% of defendants convicted in our district received sentences of five years or more in federal prison.



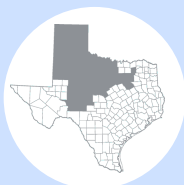
### 445 Appeals

We argued 445 defendant appeals before the Fifth Circuit in 2021. A whopping 434 of them – more than 97% – were resolved in our favor.



### 807 Civil Cases

We handled 807 civil cases in 2021, including 55 in which the U.S. government was a plaintiff and 680 in which the government was a defendant. The Civil Division collected \$67.5 million in debts owed to the U.S.



### 8 Million+ Texas Served

Established in 1879, the U.S. Attorney's Office for the Northern District of Texas has prosecutive responsibility over 100 counties in Texas, encompassing nearly 96,000 square miles and a population in excess of 8 million. In 2021, the district's Victim/Witness Coordinators served more than 2,100 victims impacted by defendants charged in North Texas.

# CRIM CASE HIGHLIGHTS

## Stamping Out Healthcare Fraud


*Forest Park Medical Center*

In the first quarter of 2021, 14 defendants convicted in the Forest Park Medical Center bribery scam were sentenced to a combined 74+ years in federal prison and ordered to pay a total of \$82.9 million in restitution.



Hospital manager Alan Andrew Beauchamp – who pleaded guilty to one count of conspiracy to pay healthcare bribes and one count of commercial bribery under the Travel Act, then testified for the government during his coconspirators’ trial – admitted that Forest Park “bought surgeries,” and then “papered it up to make it look good.”

The Forest Park prosecution was one of the first cases in the nation to use the federal Travel Act to prosecute healthcare fraud.

 AUSAs Andrew Wirmani, Kate Pfeifle, Marcus Busch, Mark Tindall, & Gail Hayworth

 FBI Dallas

## Taking Aim at Unlicensed Gun Sales

*U.S. v Marcus Braziel*

The man who sold the firearm used to gun down 32 people in Midland - Odessa was sentenced to two years in federal prison in January. Marcus Braziel, 45, was convicted of dealing firearms without a license and subscribing to a false tax return.

According to plea papers, Braziel admitted he sold Midland - Odessa shooter Seth Aaron Ator an AR-15-style rifle on October 8, 2016 – nearly three years before Ator used the gun in the shooting on Aug. 31, 2019.

Ator, who had been adjudicated “mentally defective” and was therefore legally prohibited from possessing firearms, first attempted to purchase a gun from a sporting goods store, but was rejected after NICS flagged his mental status. He later circumvented the NICS system by purchasing a gun from Braziel, who elected not to run background checks on any of his buyers.

Braziel admitted he was “engaged in the business of selling firearms” – repeatedly devoting time and attention to purchasing and reselling guns for pecuniary gain – and thus should have been licensed and conducting background checks.

 AUSA Jeffrey Haag

 ATF Dallas



# CRIM CASE HIGHLIGHTS

## Preventing Violent Crime


*U.S. v Pendley*

A Texas man who plotted to blow up an Amazon data center in Virginia was sentenced in October to 10 years in federal prison. Seth Aaron Pendley, 28, was convicted of malicious attempt to destroy a building with an explosive.

In recorded conversations with an FBI undercover, Pendley said he planned to attack web servers that he believed serviced the FBI, CIA, and other federal agencies. "The main objective is to f\*\*\* up the Amazon servers," he said.

He later met with the undercover to pick up what he believed to be c4 explosive devices. (In actuality, they were inert.) After the undercover showed Pendley how to arm and detonate the devices, the defendant was arrested.

 AUSAs Robert Boudreau & Jay Weimer


 FBI Dallas


## Cracking Down on COVID Fraud

*U.S. v Sah*

A Coppell businessman was sentenced in June to more than 11 years in prison for fraudulently obtaining millions in forgivable Paycheck Protection Program (PPP) loans. Dinesh Sah, 55, was convicted of wire fraud and money laundering offenses.

Based upon false statements, Sah received \$17 million in PPP loan funds.

 AUSAs Katherine Miller, Erica Hilliard, & Dimitri Rocha

 FDIC - Office of Inspector General, Dallas

## Saying No to Pill Mills

*Operation Wasted Daze*

Forty-six defendants, including two doctors and five pharmacists, were convicted of operating an \$18 million pill mill scheme in March. They'd been arrested by the DEA in 2020 in "Operation Wasted Daze."



According to evidence presented at trial, 61-year-old oncologist Caesar Mark Capistrano and his associates wrote prescriptions for oxycodone, alprazolam, and other controlled substances knowing the drugs would be diverted to the streets for illicit use. Complicit pharmacies filled them for a fee.

Dr. Capistrano was sentenced in June to 20 years in federal prison.

 AUSAs Laura Montes & Shawn Smith

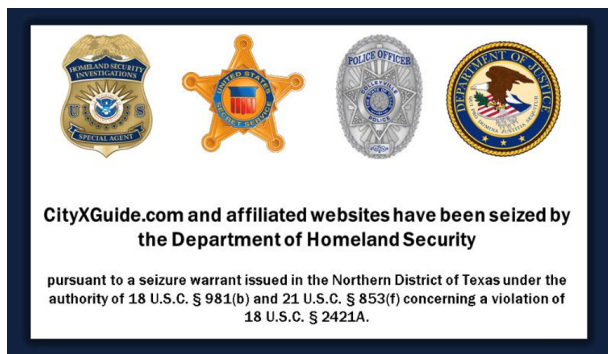
 DEA Dallas

# CRIM CASE HIGHLIGHTS

## Shutting Down Human Traffickers *CityXGuide*


The owner of the website CityXGuide.com — a leading source of online advertisements for prostitution and sex trafficking that users described as “taking over from where Backpage left off” — pleaded guilty in August to reckless disregard of sex trafficking and conspiracy to engage in interstate transportation in aid of racketeering.


His plea was the *first ever* entered under the Allow States and Victims to Fight Online Sex Trafficking Act (FOSTA), a 2018 law that allows the federal government to prosecute websites that facilitate sex trafficking.



Martono admitted that he turned a blind eye to the illegal sex trafficking occurring on CityXGuide, which prosecutors estimated netted him more than \$21 million. Despite receiving numerous emails from law enforcement informing him that his websites were being used to facilitate sex trafficking and child exploitation, he continued to operate.

CityXGuide, which the feds seized in June 2020, remains shuttered.

 AUSAs Rebekah Ricketts, Sid Mody, & John de la Garza

 Homeland Security Investigations Dallas


## Stopping Financial Misconduct in its Tracks *U.S. v Bart Reagor*

Reagor Dykes Auto Group owner Bart Reagor was convicted in October of lying to a bank about his company's prospects. After 12 hours of deliberation, a jury found Reagor, 55, guilty of making false statements to a bank insured by the FDIC.

According to evidence presented at trial, Reagor told IBC that the auto group was experiencing tremendous growth and expected to go public. He claimed the company needed a cash infusion to sustain its upward trajectory. So, IBC granted Reagor Dykes a \$10 million working capital loan. Instead of investing all of the money into the business as he'd said he would, Reagor diverted more than \$1.7 million to his personal account at Prosperity Bank.

Fifteen of Reagor's employees also pleaded guilty to various crimes involving dummy flooring and check kiting at Reagor Dykes.

 AUSAs Joshua Frausto, Jeffrey Haag, & Amy Burch

 FBI Dallas & IRS - Criminal Investigations

# U.S. ATTORNEY'S AWARDS

The 2021 United States Attorney's Awards of Excellence honored law enforcement officers and agents who exceed the call of duty to keep their communities safe.

Case	Agency
<i>U.S. v Sean Lewis</i>	FBI & U.S. Marshals Service
<i>U.S. v John Cooper</i>	Defense Criminal Investigative Service
<i>U.S. v Bo Jack Kelly</i>	Texas Department of Public Safety
<i>U.S. v Cynthia Carrasco</i>	DEA w/ Amarillo PD
<i>Operation Double Eagle</i>	DEA
<i>U.S. v Marcus Braziel</i>	ATF, FBI, & IRS-CI
<i>U.S. v Broussard, et al.</i>	FBI
<i>U.S. v Jose Flores</i>	DEA

Case	Agency
<i>U.S. v Jose Linares</i>	FBI
<i>Forest Park Medical Center</i>	IRS-CI, FBI, DOL-OIG, DCIS, & OPM-OIG
<i>Said Family</i>	FBI

## Administration of Justice Award:

Eric Umbarger, *IT Specialist*

## Barefoot Sanders Prosecutor of the Year:

Tiffany Eggers, *AUSA*



# CRIM CASE HIGHLIGHTS

## Prosecuting Death-Penalty Eligible Violent Crime

*U.S. v Jennifer Faith*



Jennifer Lynne Faith, an Oak Cliff woman who convinced her boyfriend to shoot her husband to death, was charged in September with orchestrating the murder. She was indicted for the use of interstate commerce in the commission of murder-for-hire, a charge that carries a potential death penalty.

Faith's boyfriend, Darrin Ruben Lopez, 49, allegedly gunned down her husband, American Airlines technology director Jamie Faith, on Oct. 9, 2020 in front of his home in Oak Cliff. Evidence showed that Faith used two phony email accounts to correspond with Lopez, assuming the identity of her own husband to falsely convince Lopez that her husband was physically and sexually abusing her.



Following the murder, Faith exchanged text messages with Lopez about removing a distinctive "T" decal from his truck, as it had been noticed by witnesses.

During that time, she also withdrew roughly \$58,000 from a GoFundMe created in the wake of her husband's death and used the cash to pay off the balances of two credit cards she gave to Lopez.

 AUSAs Rick Calvert, Andrew Briggs, & Brian McKay  
 ATF Dallas & Dallas PD



## Holding Accountable White Collar Fraud

*U.S. v Jonathan Davis*

In September, the owner of for-profit trade school Retail Ready was sentenced to more than 19 years in federal prison for bilking the U.S. Department of Veterans Affairs of \$72 million and of misleading student veterans. A federal jury convicted Jonathan Dean Davis, 43, of seven counts of wire fraud and four counts of money laundering.

Among other lies, Davis told state agencies that Retail Ready had been operating as a school for two years when, in fact, the company had only existed for a few months and had never trained students. He claimed that Retail Ready was fully prepared to train veterans when the company actually lacked a building and basic supplies.

Davis was ordered to pay \$65.2 million in restitution and forfeit an additional \$72.5 million.

 AUSAs Douglas Brasher, Fabio Leonardi, & Dimitri Rocha  
 VA Office of Inspector General, FBI Dallas, U.S. Postal Inspection Service



# CIVIL CASE HIGHLIGHTS



## Improving Hospital Drug Protocols

*UT Southwestern*

Thanks to the hard work of the NDTX Civil Division, the University of Texas Southwestern Medical Center agreed to pay \$4.5 million to resolve allegations that its violations of the Controlled Substances Act allowed hospital staff to divert fentanyl and other dangerous drugs from the hospital.

During its investigation, the DEA identified incidents in which registered nurses diverted controlled substances from UTSW over significant periods of time. Tragically, two such diversions resulted in fatal overdoses.

As part of the settlement, the medical center agreed to take significant steps to mitigate its diversion issues, including installing cameras at its pyxis machines, establishing an anonymous hotline, establishing a database of employees who were fired or resigned due to drug issues, and hiring an external auditor.

 AUSAs Andrew Robbins, Kenneth Coffin, & Scott Hogan  
 DEA Dallas (Diversion)

## From Qui Tam to Criminal Charges

*Kuper Healthcare Fraud*

In February, a Fort Worth osteopath who attempted to incinerate evidence was sentenced to 10 years in federal prison. But the

case didn't begin as a criminal matter. It began when the NDTX Civil Division decided to file a partial intervention in whistleblower Richard Brown's False Claims Act *qui tam*.


The suit alleged that Dr. Mark Kuper, the 43-year-old owner of the Texas Center for Orthopedic and Spinal Disorders, defrauded Medicare, Medicaid, and TRICARE by billing more than \$10 million for services the clinic never rendered.

Often, Mr. Kuper billed for services provided by unqualified staff. On multiple occasions, he billed for more than 100 hours' work in a single 24-hour day.

As the scheme unraveled, his wife attempted to destroy documents in an outdoor fireplace at their home. The blaze destroyed their residence, but firefighters were able to recover some of the charred records.



When he pleaded guilty, Kuper settled the *qui tam* for \$11.2 million, agreeing to liquidate his real estate portfolio and other assets to satisfy the civil judgment.

 AUSAs Richard Gultinan & Kimberly McCoy (civil case); Steve Fahey & Lindsey Beran (criminal case)

 Health & Human Services Office of Inspector General, DCIS, & the Texas Medicaid Fraud Control Unit



# CIVIL CASE HIGHLIGHTS

## Kicking Kickbacks to the Curb

*Flower Mound Hospital*

In December, Flower Mound Hospital Partners LLC, a partially physician-owned hospital in the Dallas suburbs, agreed to pay \$18.2 million to resolve allegations that it violated the False Claims Act by knowingly submitting claims to the Medicare, Medicaid and TRICARE programs that resulted from violations of the Physician Self-Referral Law and the Anti-Kickback Statute.

In this *qui tam* case, the relator, orthopedic surgeon Leslie Jennings, alleged that physician ownership in the hospital was improperly conditioned on the volume and value of physicians' referrals to the hospital.



After reviewing documents received in response to numerous civil investigative demands – including emails and text messages – the NDTX Civil Division, along with DOJ's Commercial Litigation Branch - Fraud Section, alleged in settlement documents that Flower Mound Hospital impermissibly took into account the volume and/or value of certain physicians' referrals when it selected the physicians to whom the shares would be resold and determined the number of shares each physician would receive.

In connection with the settlement, Flower Mound Hospital entered into a five-year Corporate Integrity Agreement with the HHS-OIG, which mandated that the hospital hire an independent professional to review arrangements entered into by the hospital. Dr. Jennings received approximately \$3 million as his share of the recovery in this case.

 AUSAs Kenneth Coffin & DOJ Attorney Jonathan Thrope

 Health & Human Services Office of Inspector General

## Protecting Kids from Dental Fraud

*U.S. ex rel. Puga v Pari et al*

In May, two North Texas dentists, their dental management companies, and certain affiliated pediatric dental practices paid the United States \$3.1 million to resolve allegations that they defrauded the Texas Medicaid program and violated the False Claims Act by knowingly billing for pediatric dental services that were not rendered or that falsely identified the person who provided the service.

The Government's investigation revealed that defendants Gaurav Puri and Gunjan Dhir billed for services not rendered, provided medically unnecessary services, and even billed for dental services when they were out of the country.

 AUSAs Kenneth Coffin & Braden Civins

 Health & Human Services Office of Inspector General & TX Attorney General's Office, Civil Medicaid Fraud Division

# APPELLATE HIGHLIGHTS

## Upholding Key Sentences

### *Gas Pipe*

The Fifth Circuit affirmed the convictions and sentences of the Gas Pipe smoke shop's two owners, Gerald Shults, 73, and Amy Herrig, 44, who had been convicted of conspiring to defraud the United States and of felony misbranding after mislabeling the synthetic cannabinoid "spice" Gas Pipe sold as not being for human consumption when the defendants intended their customers to smoke it.



In its decision, the Fifth Circuit reaffirmed the broad scope of 18 U.S.C. § 371's fraud prong and held that the district court's jury instructions related to the materiality of the defendants' misbranding were not erroneous -- rejecting the defendants' attempt to extend a rule announced in *Marinello v. United States*, that to convict under 26 U.S.C. § 7212(a)'s omnibus clause, the Government must show a "nexus" between the defendant's conduct and a pending or reasonably foreseeable tax-related administrative proceeding. The court also concluded that sufficient evidence supported the convictions, and affirmed the defendants' upward-variance sentences of three years each in federal prison.

 AUSA Stephen Gilstrap

## Armed Career Criminals

### *U.S. v David Lee Garrett*

The Fifth Circuit tackled the question of whether the Supreme Court's recent decision in *Borden v. United States*, which eliminated certain types of crimes as Armed Career Criminal Act predicate offenses, altered whether robbery-by-threat still qualified as an ACCA predicate. The Fifth Circuit agreed with the government's arguments and held that a Texas robbery-by-threat conviction remains a valid ACCA predicate after *Borden*. The Court thus reversed David Garrett's non-ACCA sentence and remanded the case so that the district court could resentence him under ACCA.

 AUSA Stephen Gilstrap

## Affirming Law Enforcement Procedure

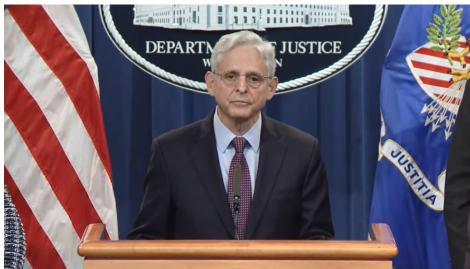
### *U.S. v Clarence Bass*

Among other things, the Fifth Circuit affirmed the district court's denial of a suppression motion after Clarence Bass was convicted of possessing a firearm as a felon. The Court found that police had reasonable suspicion to stop Bass because of an off-duty officer's tip. The Court held that Bass gave consent to search his vehicle but noted that consent was not a dispositive issue. Finally, the Court upheld the admissibility of Bass's incriminating statements because they were made while his detention was still classified as a Terry stop.

 AUSA Ryan Niedermair

# AG APPLAUDS NDTX

In November, Attorney General Merrick Garland announced two significant NDTX prosecutions against Yaroslav Vasinskyi and Yevgeniy Polyanin, foreign nationals who launched REvil ransomware attacks against multiple victims.



“

"Cyber crime is a serious threat to our country, to our personal safety, to the health of our economy, and to our national security."

”



“

"We will be relentless in our mission to investigate, to disrupt, and to prosecute ransomware attacks.... We have been using every tool at our disposal and leveraging every authority we have to hunt down and hold accountable cyber criminals, wherever they may seek to hide."

”



“

"The cyber threat is daunting, but when we combine the right people, the right tools, and the right authority, our adversaries are no match for what we can accomplish together."

”

In September, the Justice Department seized \$6.1 million in assets traceable to Yevgeniy Polyanin, who allegedly perpetrated malware attacks against U.S. government entities.


In October, authorities arrested Vasinskyi, who allegedly perpetrated the July 2021 attack against U.S. company Kaseya. He has been charged with conspiracy to commit fraud in connection with computers, conspiracy to commit money laundering, and intentional damage to protected computers.



# **U.S. ATTORNEY'S OFFICE**

## Northern District of Texas

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 [justice.gov/usao-ndtx](https://justice.gov/usao-ndtx)

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